

1R - 425-01

Quarterly REPORTS

**DATE:
12-8-08**

Hansen, Edward J., EMNRD

From: L. Peter Galusky, Jr. [lpg@texerra.com]
Sent: Monday, December 08, 2008 3:31 PM
To: Hansen, Edward J., EMNRD
Cc: Hack Conder; Lara Weinheimer
Subject: Rice Operating Company - Quarterly report for NMOCD No. 1R425-01
Attachments: VAC E-2 3rd qtr 2008 graphic 1.pdf

Dear Edward,

Given below is a quarterly update for the above referenced Rice Operating Company project, Vacuum E-2.

Rice has continued to monitor groundwater chloride concentrations, per the OCD approved Monitoring Plan for this project. The attached graph summarizes groundwater chloride concentrations at the Vacuum E-2 location. I believe that the apparent rise in chlorides in the near-source well from about 500 to 900 ppm from June to August 2006 simply reflected equilibration of the new well with actual groundwater concentrations. Following this groundwater chlorides dropped substantially through June of 2007, which I believe was due to groundwater recharge during an abnormally wet period. Since then, groundwater chlorides in the near-source well have risen moderately and persisted at concentrations around 600 ppm. We plan to sample groundwater again before year's end and to evaluate and present the data more fully in our annual report in early 2009.

Ahead of this, it appears that the transfer and movement of chlorides from this former junction box location is insignificant, as both down gradient monitor wells (MW-4, 100 ft down-gradient and MW-2, 200 ft down-gradient) exhibit chloride levels below 50 ppm.

Please contact me if you have any questions or need additional information.

Thank you.

L. Peter Galusky, Jr. Ph.D.

Principal

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Vacuum E-2 Junction Box Monitor Well Chloride Concentrations

